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## Report of the Executive Board of the United Nations Children's Fund on the work of its first regular session of 2013

**(5-8 February 2013)***

* The present document is an advance version of the report of the Executive Board of the United Nations Children's Fund on the first, annual and second regular sessions of 2013, to be issued as parts I, II and III, respectively. These reports will be issued in final form as *Official Records of the Economic and Social Council, 2013, Supplement No. 14* (E/2013/34/Rev.1-E/ICEF/2013/7/Rev.1).

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# I. Organization of the session

## A. Election of officers of the Executive Board

1. The Executive Board elected as President, Jarmo Viinanen, Permanent Representative of Finland to the United Nations; and as Vice-Presidents, Ferit Hoxha, Permanent Representative of Albania to the United Nations, George Wilfred Talbot, Permanent Representative of Guyana to the United Nations, Mohammad Khazaee, Permanent Representative of the Islamic Republic of Iran to the United Nations and Macharia Kamau, Permanent Representative of Kenya to the United Nations.

## B. Opening statements by the President and Executive Director (item 1)

2. The President of the Executive Board welcomed the participants, saying he would chair the deliberations in a spirit of openness and constructive dialogue. He said the guiding principle of the work of the Executive Board was "the best interests of the child", as contained in article 3 of the Convention on the Rights of the Child. Emphasizing the humanitarian crises in the Syrian Arab Republic and other areas, he reminded the Board members that the state of the world's children was far from perfect and much more needed to be done to relieve the suffering of children and build a better future for them.

3. He highlighted the long-standing relationship of Finland with UNICEF, beginning 65 years ago when, after the Second World War, the children of Finland began receiving assistance from the organization. Only three years later, Finland was able to become a donor country thanks largely to the help received. He noted that education, child and maternal health and nutrition were key priorities for Finland, and expressed the commitment of his country to supporting the universal mandate of UNICEF.

4. He said 2013 was a year when much would be accomplished and decided regarding work on achieving the Millennium Development Goals, on the post-2015 agenda, and on the next UNICEF medium-term strategic plan. He stressed that UNICEF had a key role to play in advocating that the well-being and rights of children remained a priority in future development agendas and goals.

5. In his opening remarks, the Executive Director welcomed the new President, emphasizing that the President's keen interest and engagement in UNICEF were already widely appreciated. He also gave a warm welcome to the four new Bureau members and the President of the World Bank Group, Jim Yong Kim, who would participate in the special focus session on the collaboration between the World Bank and UNICEF.

6. The Executive Director stressed that only 1,000 days were left before the 2015 Millennium Development Goals deadline. There was much progress to celebrate: more children were surviving and thriving; gaps had narrowed in primary school enrolment for girls and boys; and more children enjoyed access to clean drinking water and sanitation. However, too many children, especially the most disadvantaged, were being left behind, their rights denied. To help accelerate results

in reducing under-five mortality, UNICEF was leading a global movement, "Committing to child survival: A promise renewed". Since its launch in June 2012, 172 Governments and over 400 non-governmental organizations had joined. A similar sense of urgency was driving the broad alliance in the fight against HIV/AIDS, he said, noting several advances made, including through the use of new technologies and medicines.

7. Reporting on results remained key to the success of all programmes, he said, noting that the UNICEF Monitoring Results for Equity System was increasingly being adopted by United Nations partners in the field and valued by government partners. He was working with the Chair of the United Nations Development Group (UNDG) to encourage other United Nations agencies to adopt the tool, as this common platform would be a significant contribution to the "Delivering as one" initiative.

8. Complementing the monitoring results for equity system was a new tool for analysing disaggregated data, the multiple overlapping deprivation analysis. This tool was developed by UNICEF to help identify, locate and reach the poorest and most disadvantaged children, particularly girls, children with disabilities, nomadic children and those living in fragile contexts.

9. Other notable innovations had been developed with partners in health, education and child protection, involving the repurposing of information technologies to reach the most disadvantaged and improve results for children. The use of rapid short message service, for example, was helping in the registration of births. Innovations such as virtual platforms were especially useful in reducing costs for South-South and triangular cooperation.

10. UNICEF was striving to become more efficient, cost-effective and transparent. A number of reviews were under way to streamline processes, improve effectiveness and reduce costs. UNICEF was aiming to reduce its headquarters budget by some $2.3 million, focusing on travel and consultancies. Further advances in these areas would be helped by evaluations and audits, by discussions at the Executive Board and by further cooperation with UNDG and other United Nations partners.

11. The year 2013 would be one of urgent action for UNICEF, especially in developing the medium-term strategic plan for 2014-2017 and in helping to develop a common action plan to implement the quadrennial comprehensive policy review of operational activities for development of the United Nations system. The next medium-term strategic plan, he said, would take into account the recommendations of the quadrennial comprehensive policy review and reflect discussions on the post-2015 agenda.

12. He highlighted the acute challenge for UNICEF of dwindling core resources, which had declined by 7 per cent from 2011. Core resources were essential, allowing UNICEF to invest in underfunded countries and sectors, support innovations and respond rapidly to new emergencies.

13. Turning to cooperation with the World Bank, he highlighted the excellent opportunity provided by the new leadership at the Bank for working with UNICEF to accelerate progress towards the 2015 Goals and beyond. He envisioned a range of partnership with the Bank — in areas such as health and education, and on issues such as equity and poverty. The partnership is grounded in common principles, notably: innovation; capacity-building; working with Governments to engage

communities and address local priorities; and results-based programming, monitoring and reporting.

### C. Adoption of the agenda (item 3)

14. The Executive Board adopted the agenda, timetable and organization of work (E/ICEF/2013/1) for the session.

15. In accordance with rule 50.2 of the rules of procedure, the Secretary of the Executive Board announced the number of credentials that had been submitted, with the final totals as follows: 39 observer delegations, 1 intergovernmental organization, 3 international organizations and other entities, 2 non-governmental organizations, and 7 National Committees for UNICEF.

## II. Deliberations of the Executive Board

### A. Annual report of the Executive Director of the United Nations Children's Fund to the Economic and Social Council (item 4)

16. The document (E/2013/6-E/ICEF/2013/3) was introduced by the Director, Policy and Strategy. A report on recommendations of the Joint Inspection Unit (JIU) (E/ICEF/2013/6) was also included under this agenda item. Deputy Executive Director Geeta Rao Gupta commented that the annual report responded to the request of the Executive Board in its decision 2012/1 for greater emphasis on challenges, lessons learned and trends.

17. Delegations welcomed the report, especially its strong emphasis on equity. They underlined that this cost-effective focus would help to achieve rapid impact in pursuit of the Millennium Development Goals. Along with equity, it was suggested that the organization include impartiality, innovation and accountability in its core principles. Other suggestions were to strengthen the application of the human rights-based approach in UNICEF-assisted programmes and to more strongly emphasize the link between humanitarian actions and development programmes.

18. Speakers made a number of constructive suggestions for preparation of the next UNICEF medium-term strategic plan for 2014-2017. In particular, delegations recommended that the plan highlight: equity; child survival and health; education; child protection; gender equality and gender mainstreaming; strategic partnerships; South-South and triangular cooperation; national capacity-building; and enhanced reporting on results. In all these areas, investing in the most disadvantaged and excluded children was essential.

19. Overall, they said, the medium-term strategic plan needed to incorporate the relevant recommendations of the quadrennial comprehensive policy review, implementation of which should be a top priority for UNICEF, and priority issues discussed regarding the post-2015 development agenda. For the implementation of the quadrennial comprehensive policy review, UNICEF should work with its sister United Nations agencies to develop a common analytical framework and a set of concrete and measurable follow-up indicators.

20. Delegations called for an emphasis on partnerships across the board. UNICEF was commended for the strong and growing cooperation with the World Bank, especially at the country level, and its focus on equity. This focus provided a means to accelerate achievement of the Millennium Development Goals by 2015 and to help shape the post-2015 agenda. Several important areas of cooperation were noted: "upstream" work, early childhood development, water, sanitation and health, global polio eradication, initiatives to abolish school fees, gender and the protection of women. Collaboration was also welcomed in social protection and safety nets in order to manage risks in fragile and conflict-affected contexts.

21. In addition to the World Bank, delegations urged UNICEF to continue strengthening strategic partnerships with multilateral institutions, other international financial institutions, including the International Monetary Fund, and regional banks. UNICEF was asked why fewer than half of its country offices were cooperating with these banks.

22. The need for expanded capacity-building also figured prominently in the discussion. At the country level it was important to concentrate on local communities as well as "upstream" institutions. Efforts should also cover both monitoring and evaluation, with results in these areas transmitted promptly to decision makers. The monitoring results for equity system and the multiple overlapping deprivation analysis would be useful tools in this regard. Benchmarks should be developed to measure country office performance in capacity-building.

23. While commending UNICEF for the fact that nearly 60 per cent of its country offices supported initiatives in South-South and triangular cooperation, delegations encouraged greater efforts in this area, with a particular focus on least developed and middle-income countries. One delegation suggested that the United Nations agencies develop a common framework and joint tools in this area.

24. Many delegations congratulated UNICEF for its crucial work in promoting gender equality and gender mainstreaming — in both humanitarian and development contexts. Nevertheless, concern was expressed by some about the inadequate integration of gender equality across all programmes and policies of the organization. UNICEF was encouraged to fully integrate strong gender equality outcomes in the new medium-term strategic plan. Delegations welcomed the implementation of the gender equality marker in regional and country offices. They also welcomed the support given to the implementation of the gender marker of the Inter-Agency Standing Committee. UNICEF was requested to develop follow-up measures to address gaps identified by these markers.

25. Delegations commented that capacity-building was key to promoting gender equality and gender mainstreaming. UNICEF was commended for its efforts to build the capacity of country systems for data collection and disaggregated statistics on gender. It was recommended that qualitative research complement these efforts, providing a fuller picture of complex issues such as gender-based violence. Delegations also encouraged UNICEF to help to build capacity in this area among United Nations agencies. UNICEF was widely praised for its increased engagement with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and for the piloting of the system-wide action plan. One delegation stressed the importance of joint initiatives on gender, welcoming the results of the plan of action on gender equality, 2010-2012.

26. Internally, it was recommended that UNICEF aim to embed gender equality across its core systems. It was important to avoid creating parallel systems of planning, monitoring and evaluation. UNICEF was commended for making progress towards the target of ensuring that 50 per cent of its staff members at P-5 level and above were women.

27. UNICEF was commended for its humanitarian operations, especially in several recent crises. Delegations made specific suggestions for improving humanitarian work: strongly link relief, recovery and development; continue efforts with other agencies to improve efficiency and implement the "Transformative Agenda"; continue to focus on children requiring special assistance; strengthen the resilience of communities in disaster preparedness; and increase assistance given to the reintegration of children who have been victims of armed conflicts.

28. UNICEF was also commended for maintaining modest annual increases in income despite the global financial situation. For this, special thanks was given to the National Committees for UNICEF. However, nearly every delegation who intervened expressed concern about the decrease in core funding relative to the total. They also shared their misgivings about the drop in thematic funding and the amount of private funding sources. To overcome these challenges, UNICEF was encouraged to develop a comprehensive resource mobilization strategy and to widen its donor base.

29. The efforts of UNICEF to reduce costs, including through the adoption of the PaperSmart (largely paperless) method for Executive Board sessions, were appreciated, as were the various initiatives to improve organizational efficiency. UNICEF was urged to implement the principle of full cost recovery as outlined in the quadrennial comprehensive policy review and to adopt the rate of 8 per cent included in the draft decision on cost recovery.

30. UNICEF was also called upon to increase its work with other United Nations agencies in a number of areas: the simplification and harmonization of business practices, the streamlining of the United Nations Development Assistance Framework (UNDAF), the implementation of common programmes and the enhancement of knowledge management. Delegations recommended that the monitoring results for equity system and the multiple overlapping deprivation analysis be shared with other agencies to improve the evidence base of the United Nations, particularly regarding disadvantaged children. Speakers expressed appreciation for the contributions of UNICEF to the independent evaluation of "Delivering as one" and development of the standard operating procedures. In line with these efforts, UNICEF was called upon to strengthen support for the resident coordinator system, including by encouraging qualified staff members to take up resident coordinator posts.

31. The urgency of meeting the 2015 Millennium Development Goals was underscored, especially those related to child survival and maternal and child health, education, HIV/AIDS and protecting and ensuring the rights of children. One delegation described their country's outstanding progress in polio eradication. Several speakers voiced appreciation for the contribution of UNICEF to launching "A promise renewed", noting that the initiative's pledge had been signed by almost all Member States.

32. It was recommended that future annual reports concentrate more on results, including the attribution of the work of UNICEF, and on analysing trends, especially in implementation of the quadrennial comprehensive policy review. In general, a more systematic, structured and comprehensive approach to future reporting would be appreciated. More effort should also be made to integrate several UNICEF Executive Board reports to reduce redundancy.

33. For future Executive Board sessions, delegations said they looked forward to a discussion on child protection, a special focus on least developed countries and a formal agenda item on humanitarian response.

34. In his response to the comments, the Director, Policy and Strategy, expressed appreciation for the feedback and clarified that the drop in "Other resources — emergency" funding from 2010 to 2011 had to do with the fact that the year 2011 did not have as many crises attracting large-scale funding. He agreed with delegations that it would be useful to look more analytically at trends in reporting on results. The Deputy Director of Governance, United Nations and Multilateral Affairs emphasized the importance UNICEF attached to the resident coordinator system and how crucial it was for United Nations agencies to come up with a proposal on modalities for sharing the costs of the system, as mandated in the quadrennial comprehensive policy review.

35. This view was underscored by the Executive Director, who said that it was vital that a decision be taken on this issue at the meeting of the United Nations System Chief Executives Board for Coordination in April 2013. If agencies could not reach an agreement, the whole resident coordinator system could be in jeopardy. Responding to other comments, he said he welcomed the endorsement of the monitoring results for equity system, noting that it was necessary to work with Governments on its use. He supported the suggestions on how agencies could work better as one. He said, for instance, that the quadrennial comprehensive policy review could become a very practical vehicle for the whole United Nations system to work together on behalf of children, women and others. He recommended that United Nations partners make the UNDAF simpler and more strategic. If "Delivering as one" were to be sustainable, delivering, monitoring and reporting on results were essential. He said he hoped that a common action plan and standard operating procedures for "Delivering as one" could be worked out soon. He asked Executive Board members to share their thoughts on innovative ways to raise resources for thematic funding and called on Governments that had not yet signed the pledge on "A promise renewed" to do so, joining all those working to end preventable child deaths by 2035.

36. The Executive Board took note of the report on the recommendations of the JIU and adopted decision 2013/1 (see annex).

## B. Report on the end-of-cycle review of the medium-term strategic plan for 2006-2013 (item 5)

## C. Updated road map to and outline of the medium-term strategic plan for 2014-2017 (item 6)

37. Deputy Executive Director Geeta Rao Gupta thanked Executive Board members for their engagement in the review and preparation processes. She affirmed that lessons learned from the current medium-term strategic plan, as well as ongoing discussions in important global processes, would serve as key inputs for the next plan. She noted that promoting equity would be at the heart of the next medium-term strategic plan, which would outline expected impact-level results for children, along with outcomes, outputs and strategies to achieve those results.

38. The Director, Policy and Strategy, presented the reports (E/ICEF/2013/4 and E/ICEF/2013/5). He said the review confirmed that UNICEF was partnering effectively on rights issues but revealed significant challenges facing children and the realization of their rights. The equity focus, he said, would streamline UNICEF efforts in protecting and promoting children's rights while strengthening linkages between humanitarian action and development. The plan would reconfigure the current five focus areas into seven impact-level results, with new areas being water and sanitation, exploitation and violence, and poverty and discrimination. It would also improve monitoring of results.

39. Delegations welcomed the reports. They agreed with the strong emphasis on equity to address poverty and discrimination alongside three cross-cutting normative principles — human rights, gender equality and environmental sustainability. These, they also agreed, should be mainstreamed throughout the organization's work. Many said they hoped to see them also clearly integrated into the corresponding results framework to reflect a strong strategic focus. Some delegations highlighted the importance of mainstreaming gender equality and the strengthening of disaggregated data in that area. Others noted the utility of learning from the challenges encountered in implementing the previous plan, particularly in setting priorities and strengthening accountability. Many welcomed the improved management and monitoring of results, which would increase the focus on impact and sustainability of UNICEF-assisted programmes.

40. Many speakers urged UNICEF to operationalize the quadrennial comprehensive policy review recommendations, particularly those on advancing "Delivering as one" and United Nations system-wide coherence. They also encouraged the strengthening of the human rights-based approach to programming in implementing humanitarian and development programmes. Some asked for more information on the linkages to climate change as well as urbanization and migration. Others emphasized the importance of social protection systems, including universal access to healthcare and equitable early childhood care.

41. Delegations said that it was crucial to track progress through the use of transparent and comprehensible indicators within a consistent and dynamic results framework. They welcomed the proposed framework covering the full results chain, with indicators set at each level and including baselines, milestones and targets. This effort should be harmonized with that of other United Nations organizations.

42. It was important to ensure that programmes were sustainable by encouraging national ownership and contributing to building national capacity, particularly in the least developed countries. Some delegations suggested that several of the health-related areas could be clustered, with child protection integrated into the other impact areas.

43. Delegations acknowledged the strong emphasis placed on an integrated approach to humanitarian action and development, noting their common linkages to child protection, to building community resilience and to achieving the Millennium Development Goals. Also highlighted was the importance of risk management in humanitarian and development efforts, including in conflicts and emergencies. UNICEF was asked how it planned to implement a humanitarian strategy in coordination with its partners under the common approach of the Office for the Coordination of Humanitarian Affairs of the United Nations.

44. Many delegations encouraged the use of innovative approaches as a way to increase accessibility, scale up interventions and leverage results for disadvantaged and excluded children, including children with disabilities. Others stressed the importance of innovation in strengthening education, including technology literacy, secondary education and education in emergencies. In this regard, some highlighted the role of a strengthened, equity-focused research and knowledge management function. This would support evidence-based advocacy and work with partners on national policy frameworks.

45. Some speakers pointed to the importance of aligning country-level cooperation with recommendations of human rights treaty bodies, particularly in strengthening child protection systems. Others noted the importance of continuing efforts to combat AIDS and trafficking, especially in fragile contexts, and welcomed the increased focus on adolescents, although some cautioned that it should not distract from efforts in early childhood development and health.

46. Delegations noted the opportunities for making partnerships more strategic, including through cooperation with civil society and grassroots movements and through the greater participation of target populations. Many welcomed the participation of UNICEF in regional and inter-agency mechanisms to broaden partnership cooperation and to improve the humanitarian response of the United Nations system.

47. In response, the Deputy Executive Director said that implementing the quadrennial comprehensive policy review recommendations would enhance effectiveness and efficiency, coherence with United Nations agencies, and strategic partnerships with Governments and civil society. Acknowledging that UNICEF needed to focus on priorities but remain flexible, she said that the attention given to adolescents was a conscious choice to sustain the important investments made in the first decade of a child's life.

48. The Director, Policy and Strategy, acknowledged that the medium-term strategic plan needed to articulate clear priorities and ensure accountability but noted that some challenges would be best addressed through the organization's reporting and accountability systems. He said the reconfiguration of focus areas was a result of lessons learned from the previous plan and did not reflect any prioritization among the areas. He explained that UNICEF would link humanitarian action to development work in a mutually reinforcing way. He underscored that the

new dynamic results matrices could be tested through the lenses of the normative principles while remaining flexible enough to allow for changes in strategies in response to the national priorities of programme countries.

49. The Executive Director affirmed the importance of risk management and shared risk, particularly as UNICEF moved into increasingly difficult areas in its work. He noted that education and innovation would be an important priority in the new medium-term strategic plan, especially education in emergencies. He underlined that everything UNICEF did was about the rights of children, which were inseparable from equity. He acknowledged the difficulty of attribution in reporting results under "Delivering as one" but reaffirmed that UNICEF would seek to present them as clearly and honestly as possible. He underscored the crucial importance of disaggregated data, as they helped UNICEF to focus not only on disadvantaged and excluded areas but also on evidence-based advocacy. It was crucial to combine advocacy and innovation, particularly within the United Nations system and through new kinds of networks and horizontal partnerships that would help to transform the world.

## D. Oral report on UNICEF follow-up to recommendations and decisions of the UNAIDS Programme Coordinating Board meetings (item 7)

50. The Director, Programmes, highlighted advances made in the HIV/AIDS response, emphasizing the importance of partnerships and the critical nature of UNICEF cross-sectoral work. The Chief of the HIV/AIDS Section presented the report (E/ICEF/2013/CRP.3).

51. Agreeing that an AIDS-free generation was within reach, delegations welcomed UNICEF leadership in global efforts to fight the scourge. In particular they commended the work of UNICEF in the prevention of mother-to-child transmission of HIV, notably in sub-Saharan Africa. Some delegations inquired about simplifying some interventions and treatment protocols.

52. Stressing the importance of harmonization, delegations encouraged UNICEF, in the next medium-term strategic plan, to align its HIV programme priorities with those of UNAIDS and the action agenda related to gender equality. It was noted that gender inequality was a driver of HIV risk. Some delegations recognized the successful division of labour among UNAIDS Co-sponsors and the collaboration with the (United States) President's Emergency Plan for AIDS Relief on bottleneck analyses.

53. Delegations supported the emphasis on adolescents, particularly in preventing new HIV infections. Some delegations inquired about the collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO) on HIV among young people. Others welcomed the more targeted, evidence-based approach on reaching key affected populations, particularly adolescents. One delegation highlighted the Kenyan Shuga radio initiative, which is raising awareness in seven countries.

54. In response, the Chief of the HIV/AIDS Section said that in the next medium-term strategic plan UNICEF would align its HIV/AIDS programming with the UNAIDS strategy. He noted that UNAIDS was developing adolescent-specific

guidance for key affected populations. UNESCO was a key partner of UNICEF, particularly on sexuality education for adolescents. UNICEF and the United Nations Population Fund (UNFPA) were co-conveners of the inter-agency task team on adolescents and young people, and UNICEF was working with the World Health Organization in simplifying treatment protocols.

55. He highlighted that political leadership, adequate resources and clear accountability had led to significant progress in the 22 focus countries for the prevention of mother-to-child transmission, and reported that UNICEF was applying technological innovations to improve paediatric treatment. He said that new monitoring and evaluation efforts aimed to collect better data on adolescents, disaggregated by age, sex and key affected populations.

56. The Executive Board adopted decision 2013/2 (see annex).

## E. UNICEF programme cooperation (item 8)

### (a) Approval of revised country and common country programme documents discussed at the second regular session of 2012

57. The Executive Board approved the revised country programme documents for Cameroon, the Democratic Republic of the Congo, Equatorial Guinea, Haiti, Libya, Nicaragua, South Africa and the Sudan, and the revised common country programme document for Pakistan.

58. The representative of Pakistan said that UNICEF was its key technical partner, providing valuable assistance to strengthening the social sector and to the achievement of Millennium Development Goals 4 and 5. Deploring the recent terrorist attacks against polio workers, he said Pakistan attached the highest priority to polio eradication and was investing substantial resources to assure the safety and security of vaccination teams and rid the country of polio.

59. The representative of the Democratic Republic of the Congo said the excellent cooperation between the Government and UNICEF was helping the country to overcome its vulnerable situation brought on by conflict. He also welcomed the strategic partnership with the World Bank and encouraged its further strengthening. The representative emphasized the need for additional funding and for bolstering national capacity to implement the new country programme as a way to enhance national ownership.

60. The representative of Libya thanked UNICEF for its assistance during the country's struggle for liberation and for support given to programmes helping children overcome the suffering they endured during the struggle. During this time of transition, his country had resolved to focus on the well-being of children and the realization of their rights.

61. Speaking on the current country programme of cooperation for 2012-2016, the representative of the Islamic Republic of Iran expressed appreciation for the efforts of UNICEF and the country team. The programme was based on the principle of national ownership and was centred on the fifth national plan on economic and social development.

**(b) Draft country programme documents**

62. The Executive Board approved, on a no-objection basis, the country programme document for Eritrea for 2013-2016, as contained in document E/ICEF/2013/P/L.1, and adopted decision 2013/3 (see annex).

63. The representative of Eritrea said that implementation of the country programme would help to consolidate gains made in critical areas such as reducing child mortality and closing the development gap affecting vulnerable groups in hard-to-reach areas. He noted that Governments needed the opportunity to develop policies that would support home-grown innovations as well as strategies that reflected conditions and priorities specific to each country.

64. The Executive Director emphasized that the country programmes of cooperation were at the heart of the work of UNICEF. He noted that the documents supported national priorities and the principles of national sovereignty and ownership. He expressed appreciation for the comments made on the importance of work throughout the Democratic Republic of the Congo, not just the eastern portion, and for the commitment of the President and Prime Minister of Pakistan to supporting the polio eradication campaign.

65. Echoing these remarks, Vice-President George Wilfred Talbot made a special appeal for more assistance to be given to UNICEF to continue its important work.

## F. Discussion on recent global thematic evaluations (item 9)

66. The Director, Evaluation, presented the three global thematic evaluation reports on the work of UNICEF — early childhood development; life skills education; and the application of a human rights-based approach to programming. The Director, Programmes, summarized the management response to the recommendations of the three reports.

67. Delegations welcomed the recommendations, which were fundamental to the preparation of the next medium-term strategic plan, and the management response, which showed a strong commitment to follow-up. It was important that the evaluations and response received attention throughout the organization as well as adequate resources. This effort showed how important it was to have a strong and independent evaluation unit. Several delegations proposed that the Executive Board follow up on the management response in 2014.

68. Delegations said the evaluation on a human rights-based approach to programming showed the need to clarify linkages between that approach and equity, including in the following areas: systematic integration of gender equality; sustaining global leadership and engagement; and building capacity and demonstrating progress in advancing the human rights-based approach. The approach should be integrated into the medium-term strategic plan results framework.

69. On early childhood development, some delegations welcomed the recommendation to mainstream the approach into national policies, plans and services. Others noted opportunities for further capacity-building work on gathering reliable data at all levels, including the regional level through work with the Economic Community of West African States. Regarding life skills education, it was

noted that such skills were needed to empower the young and protect them from harm later in life.

70. Delegations welcomed the development of a results-based management system within the medium-term strategic plan framework. They underscored that the evaluations highlighted the need to strengthen monitoring and evaluation systems. It was suggested to strengthen the collection and use of disaggregated data and promote the meaningful participation of beneficiaries in all phases of programmes to strengthen results-based management. Many delegations noted the difficulty in reaching disadvantaged and vulnerable groups due to a lack of access and of reliable data. This was particularly evident in difficult contexts and humanitarian situations. It was important to take a systematic approach in assessing and addressing bottlenecks.

71. In response, the Executive Director affirmed that UNICEF had learned from the evaluations and from the comments of the Executive Board members. He acknowledged for a clear linkage between a human rights-based approach to programming and equity, and stressed that the monitoring results for equity system was a part of the approach. He noted that early childhood development offered an opportunity to integrate approaches, given the devastating effect of deprivations in early childhood for the rest of a child's life.

72. The Director, Evaluation, noted that increasing attention was being given to management responses to various evaluations at different levels of the organization. The Director, Programmes, confirmed that UNICEF would integrate the lessons learned through the evaluations into the new medium-term strategic plan and use them to strengthen national capacity to reach the most disadvantaged children.

## G. The road map to an integrated budget: joint report of UNDP, UNFPA, UNICEF and UN-Women (item 10)

73. Deputy Executive Director Martin Mogwanja made some introductory remarks on the report (E/ICEF/2013/8), which was a joint review of the impact of cost definitions and classifications of activities on the harmonized cost-recovery rates. He said the draft decision, once adopted by the UNICEF Executive Board, would inform the UNICEF draft integrated budget and medium-term strategic plan for 2014-2017. The Comptroller then presented the report.

74. Delegations expressed appreciation for the fact that the document represented close collaboration among the agencies and was aligned with the quadrennial comprehensive policy review. They welcomed several features of the proposal: (a) the harmonized methodology and recovery rate of 8 per cent based on the common cost classification category approved by the three Executive Boards; (b) the arrangements for monitoring and reporting on the implementation of the new methodology; and (c) the request in the decision for a comprehensive assessment in 2016, in the context of midterm reviews.

75. Speakers praised the "robust" draft decision, which had already been adopted by the Executive Board of the United Nations Development Programme/UNFPA/United Nations Office for Project Services and was expected to be adopted by UN-Women immediately following the close of the UNICEF Executive Board. They commended the constructiveness and openness shown by all

delegations involved in drafting the decision. In particular, they commended the innovative and successful joint facilitation process, thanking the four facilitators representing the three Executive Boards, who they said spared no effort to enable Board members to reach a decision: Hinke Nauta (UNDP/UNFPA/UNOPS); John Mosoti (UNICEF); and Junichi Sumi and Roberto De León Huerta (UN-Women).

76. One speaker, who addressed the cost-recovery issue under a different agenda item, hailed the decision as a landmark achievement. She noted that Executive Board decisions had great impact in programme countries such as hers. She said her delegation had participated with interest in the deliberations on draft decisions to ensure the success of the process.

77. The Executive Board adopted decision 2013/5 (see annex).

## H. UNICEF financial report and audited financial statements for the biennium ended 31 December 2011 and report of the Board of Auditors (item 11)

78. The reports, contained in document (A/67/5/Add.2), were presented by the Comptroller following introductory remarks by Deputy Executive Director Martin Mogwanja. The Deputy Executive Director noted that the audited financial statements, which are the principal and most public reporting on the financial activities of UNICEF, had been given an unqualified ("clean") audit opinion. Furthermore, the Board of Auditors had expressed satisfaction with the status of implementation of the prior recommendations.

79. The Comptroller noted that UNICEF had received 29 audit recommendations, compared with 50 on the report for the previous biennium. He emphasized that UNICEF took these recommendations very seriously, had implementation plans in place with clear timelines and accountabilities and was engaged in regular dialogue with the external auditors.

80. One of the main recommendations was that UNICEF should improve the oversight of National Committees for UNICEF. The auditors had expressed concern about the recognition of income from National Committees, whom they viewed as internal agents of UNICEF. The auditors recommended that UNICEF report Committee income and expenditure as "gross" instead of "net" in its financial statements. The Comptroller noted, however, that this model would increase both the income and expenditure amounts of UNICEF shown in the statements. It was an outstanding issue under discussion with the auditors. He further noted that in the interest of transparency UNICEF had disclosed the gross income and expenditure of the Committees in a note to the financial statements.

81. Delegations commended UNICEF for the unqualified audit report, for the reduction in the number of recommendations, and for the timely efforts to implement recommendations and provide management responses.

82. Much discussion centred on the recommendations concerning the National Committees. Delegations said these should receive careful attention so that the public image of UNICEF was safeguarded and reputational risks reduced. In general, UNICEF should strengthen its oversight and monitoring of the Committees, including their financial performance, and encourage Committees to minimize

financial costs. Specifically, delegations recommended that UNICEF and the Committees: (a) strengthen and harmonize their cooperation agreements, making them more transparent; (b) ensure that 75 per cent of the funds raised were received by UNICEF and promptly transferred; and (c) ensure that the remaining 25 per cent were accounted for and spent only on activities directly related to the work of UNICEF.

83. Delegations inquired about steps UNICEF had taken on the auditors' recommendations and requested that UNICEF share with the Executive Board the conclusions of the external audits of the Committees.

84. Turning to another salient issue, the harmonized approach to cash transfers, a number of delegations raised concerns about the need for strengthened oversight. This was necessary, they said, in order to reduce the risk of inappropriate utilization of transfers by partners, and possibly even fraud. Speakers encouraged UNICEF to cooperate with other members of UNDG to ensure that common harmonized approach to cash transfers guidelines be followed systematically, revising the guidelines if necessary.

85. Also emphasized was the need for strengthening compliance with regulations and guidance for: procurement, assets and inventory management, after-service health insurance, recruitment processes and vacancy rates and the monitoring of country offices. Delegations requested that improved evidence-based planning, budgeting and reporting, which was recommended by the Board of Auditors, be taken into account in the new medium-term strategic plan and in the integrated budget as well as in guidance to the entire organization.

86. The Deputy Executive Director emphasized that the National Committees were legal entities, each of whom enters into agreements with UNICEF through a standard cooperation agreement that forms the basis of their relationship with UNICEF. Since mid-2012, when the audit was released, UNICEF had worked with individual Committees and the Standing Group of National Committees to address the reporting of income, the timely transmission of funds to UNICEF and retention rates, among other issues. Stronger monitoring systems had also been established in relation to compliance of National Committee activities with the cooperation agreement.

87. Each Committee was preparing a joint strategic plan with UNICEF, addressing priority activities such as resource mobilization and "e "education for development" and indicating how funds would be used. Every year each Committee undertakes an external audit, which is made public and is available on the Committee's website.

88. Regarding income and expenditure for Private Fundraising and Partnerships (PFP), he noted that it would be reported in the UNICEF integrated budget for 2014-2017 and as usual in the workplan and budget of PFP presented each year to the Executive Board for approval.

89. The Comptroller underscored that National Committees are independent entities regulated by their own national authorities established under national laws. It was the view of UNICEF that Committee accounts should not be part of the UNICEF accounts. A compromise on this had been reached for the previous biennium with the Board of Auditors. It was hoped that a common understanding could be reached with the auditors.

90. UNICEF had already put in place an implementation plan for addressing recommendations and observations made by the auditors. All relevant UNICEF offices produce plans, which are monitored by headquarters, and provide quarterly updates on progress.

91. On addressing the harmonized approach to cash transfers, he said work was under way with other agencies to improve the guidelines and strengthen assurance activities at the country level. Addressing the question on implementation of International Public Sector Accounting Standards (IPSAS), he said that much progress had been made, and UNICEF would be submitting its first financial statements under IPSAS to the Board of Auditors on 31 March 2013. Finally, he assured Board members that vacancy rates had been reduced, as noted, for example, in the update on vacancy rates given to the Executive Board by the acting Director of the Division of Human Resources at the first regular session of 2012.

92. The Executive Director emphasized the importance of the issue of how National Committee income was reported. He noted that no external auditors in the last 60 years had suggested that the National Committee income be recorded as UNICEF income. If this were to be the case, the status of the Committees as independent legal entities could be challenged, with the result that their ability to raise resources could be seriously hindered. He underscored the importance of what the National Committees do and the amounts of funds they raise for UNICEF — about one third of its income.

## I. Private fundraising: 2013 workplan and proposed budget (item 12)

93. The Director, Private Fundraising and Partnerships, presented the report (E/ICEF/2013/AB/L.1).

94. Delegations welcomed the report, including information on the efficiency and effectiveness review and the new approach to partnership engagement, and highlighted the importance of private fundraising efforts by the National Committees. Several underscored the importance of new outreach strategies for broadening partnership, particularly with foundations and businesses.

95. Delegations highlighted the commitment of UNICEF to strategic partnerships and encouraged UNICEF to share its considerable experience in that area with other United Nations agencies. Several delegations requested more information on the recommendations of the efficiency and effectiveness review and on their implementation. Some delegations expressed concern about the high operating costs for fundraising, and encouraged UNICEF and the National Committees to reduce costs in line with the recommendations of the Board of Auditors. Others encouraged UNICEF to ensure that fundraising expenses would in the future be charged to both core and non-core resources in line with quadrennial comprehensive policy review recommendations.

96. Some delegations welcomed the establishment of the new Country Office Support Unit to advance resource mobilization efforts in the developing economies in Central and Eastern Europe and the Commonwealth of Independent States (CEE/CIS), and expressed interest in engaging with PFP on private-sector fundraising. Others noted the increase in private giving in Latin American countries,

and asked for more information on fundraising strategies in middle-income countries, particularly in Latin America.

97. The Chair of the Standing Group of National Committees provided an update on their fundraising and other activities, highlighting the response to emergencies in the Horn of Africa, the Sahel and the Syrian Arab Republic, and pledged support for global campaigns such as "A promise renewed".

98. In response, Deputy Executive Director Martin Mogwanja, clarified that PFP operating expenses would be fully incorporated into the integrated budget starting in 2014, but that PFP would continue to submit annual workplans and budgets for Executive Board approval.

99. The Director, PFP, confirmed that UNICEF would provide more information on efficiencies at the second regular session of 2013, when she would present an overview of the PFP plan for 2014-2017 and provide more details on actions undertaken to reduce the cost structures for private fundraising. She encouraged Board members to provide guidance and feedback at that time. She welcomed the interest of donor and middle-income countries in CEE/CIS and in Latin America in engaging with PFP on private-sector fundraising and encouraged bilateral discussions on this. In response to the interest expressed in having an in-depth briefing on strategic partnerships with the private sector, including on corporate social responsibility and child rights, she said she would organize such a meeting. She reported that PFP was planning a discussion with other United Nations agencies in Geneva to share experiences in private-sector partnerships and resource mobilization.

100. The Executive Director concluded by noting that the rapid increase in resources mobilized in former programme countries was helping to inform discussions on how UNICEF could best adapt to a changing world.

101. The Executive Board adopted decision 2013/6 (see annex).

## J. Pledging event (item 13)

102. The Executive Director introduced the annual event, expressing gratitude to partners who have sustained or even expanded support for the work of UNICEF during a time of economic challenge. He said that inadequate regular resources presented a serious challenge, making it difficult for the organization to fulfil its mandate on children's rights. He added that inadequate resources would make it harder to save lives and provide relief after sudden-onset emergencies, to meet underfunded projects, and to innovate and invest in promising new ventures. He urged donors to increase their contributions to regular resources so that UNICEF could fulfil its normative agenda and tackle some of the biggest challenges in promoting and protecting the rights of children and women.

103. The representatives of 12 Governments pledged their support for UNICEF in the total amount of $144 million.[1]

[1] For details of government contributions to regular resources pledged or paid for years 2012 and 2013 (as of 7 February 2013), see "UNICEF regular resources: Pledges for 2013" (E/ICEF/2013/CRP.2) on the UNICEF Executive Board website. Contributions also include pledges received during the 2012 United Nations Pledging Conference in November 2012 and those received outside of pledging events. As of 7 February 2013, UNICEF had received total pledges of $231 million for regular resources in 2013 from 30 Governments.

104. The Executive Director thanked the Governments that had made pledges. He said that UNICEF would use the resources in the most efficient and cost-effective way possible, with a singular focus on giving children with the greatest needs the opportunities they deserve and the means to seize them.

## K. Other matters (item 14)

**Special focus session on the collaboration between the World Bank and UNICEF**

105. The President introduced Jim Young Kim, President of the World Bank. In his opening remarks, Dr. Kim emphasized the deep commitment to the focus on equity shared by the World Bank and UNICEF. It was crucial, he said, to "bend the arc of history" by ending extreme poverty and building sustainable growth that would include the poorest and accelerate progress towards a just society. To tackle the enormous challenges that lay ahead, even more collaboration was needed among Governments, United Nations organizations, civil society and multilateral organizations. He noted that the engagement of UNICEF country offices with the Bank had increased and that the partnership had leveraged significant additional resources for UNICEF, including some $944 million of financing for UNICEF-provided procurement services.

106. Delegations enthusiastically welcomed Dr. Kim, calling this session "historic" because it was the first time the President of the World Bank had addressed the Executive Board. They expressed support for the strong collaboration between the World Bank and UNICEF, with its focus on equity, highlighting the overriding goal of ending extreme poverty, and underscoring the importance of innovation and scaling up of initiatives.

107. Looking to the post-2015 agenda, speakers said that it was crucial to go beyond the provision of basic services in order to create transformational change for children. To do this, a systems approach was essential so that people could be empowered with the education, knowledge, skills and tools they needed to eradicate poverty, promote inclusion and strengthen participation and the well-being of all. Delivery of innovation was crucial in ensuring that its benefits reached all children. Equally important was ensuring accessibility, especially for vulnerable children in fragile, low-income, conflict- and disaster-affected areas and children under occupation. Another priority highlighted was economic recovery, including for countries of the Arab Spring and countries in transition. Delegations agreed that more and better cooperation among partners was key to future success.

108. Some delegations commended the two organizations for work done in their countries and in particular for their support for "A promise renewed" and of the buy-down programme for the polio vaccine. Delegations asked about work with the GAVI Alliance and about constraints that need addressing over the next 10 to 25 years. One delegation, noting that the world had more tools available now than ever before in areas such as nutrition, vaccines and AIDS treatment, asked what could be done differently to scale up the availability and use of these tools. Another question raised was how to create closer collaboration among partners in order to protect vulnerable children and strengthen welfare systems.

109. Dr. Kim replied that to address challenges and achieve scale it was important to ask big questions such as what would it take to accomplish various goals. While it was important to make progress in discussions on climate change and other global

issues, concrete actions should be taken where possible to obtain results. Building systems was critical — whether for governance, health care or education. He said that investing in health, education and social protection was building the foundation for future economic growth. With so many innovations accumulating, it was important to get serious about delivery in areas such as vaccines, social safety nets and child protection. He said that achieving the Millennium Development Goals by 2015 should figure urgently on the global agenda and would require a completely new way of thinking about the responsibility of multilateral institutions to work together.

110. The Executive Director noted that the views of the World Bank and UNICEF were almost interchangeable and that collaboration between the two had grown by leaps in recent years. He pointed to five areas for strengthening future collaboration: (a) health and immunization; (b) countries and areas in crisis or post-crisis situations; (c) education, especially regarding the use of new technologies; (d) innovation, which involved taking initiatives to scale, reaching the most disadvantaged and enhancing South-South cooperation; and (e) in the context of the post-2015 agenda, promoting equity and sustainable growth through investment in the social sector.

**Provisional list of agenda items for the annual session of 2013**

111. The Secretary introduced the list to Executive Board members for their information.

## L. Adoption of draft decisions (item 15)

112. The Executive Board adopted decisions 2013/1 to 2013/6 (see annex).

## M. Staff awards and closing statements by the Executive Director and the President of the Executive Board (item 16)

**Staff awards**

113. The Executive Director explained that UNICEF was reinstating the annual tradition, followed from 1989 to 2005, of giving awards to outstanding staff members who exemplify the organization's commitment to securing results for children and women. The awards went to: (a) the team in Afghanistan for its achievements and bravery in an emergency context; (b) the Banda Aceh Office in Indonesia for the achievements of the country programme in the post-tsunami context; and (c) the five-member Medical Evacuation Team in South Africa, who in 2011-2012 coordinated the evacuations of 81 staff members and their families from 19 countries.

**Closing statements**

114. The Executive Director began his statement on a sombre note, highlighting the recent violent attacks on health facilities in Kano State in Nigeria and the attacks on polio workers in Pakistan. In both cases, he noted how the staff members had immediately rededicated themselves to their work for children.

115. The Executive Board session, he said, had been one of the best in his experience for its substantive content. The presentations and discussions had demonstrated the excellent results brought about by the hard work of staff members and partners and the importance of weaving equity and child rights into everything UNICEF does. Discussions also highlighted the prime place of partnerships, including those with Governments, United Nations partners in "Delivering as one", international financial and multilateral institutions and civil society, with special recognition of the work of National Committees for UNICEF. He thanked delegations for their supportive comments about the work of UNICEF in fragile contexts and the most disadvantaged neighbourhoods, and in particular about the efforts in the polio campaign. He welcomed the greater participation of programme countries in the session, which he said had enriched the discussion. Finally, he thanked the many people who had made the Executive Board session a success, including the newly elected President and Vice-Presidents and the facilitators of the decisions.

116. The President in his statement also welcomed the broad engagement of delegations across all regional groups. He commended the leadership and engagement shown by the Executive Director and his Deputies and the collaborative work of the new Vice-Presidents of the Executive Board.

117. He emphasized that the session had taken place at a defining moment for UNICEF as it prepares its next medium-term strategic plan and integrated budget, guided by the quadrennial comprehensive policy review and discussions on the post-2015 agenda in the face of growing complex challenges. To address these challenges, the special focus session had highlighted the need for new questions to be asked and innovative approaches to be taken in partnerships, including the special collaboration between the World Bank and UNICEF.

118. The Executive Boards of the four funds and programmes had adopted a robust decision on cost recovery, with UN-Women expected to follow suit after the end of this session. The decision had involved an innovative and successful joint facilitation approach. He thanked the facilitators of that as well as the other decisions for helping to bring negotiations to a speedy and successful conclusion.

119. He expressed appreciation to those Member States who had pledged funds to help to stem the decline in core resources, giving special praise to the National Committees for their work.

120. Finally, he said, the staff awards were an appropriate way to show appreciation for the dedication of UNICEF staff members, who were doing invaluable work with partners to improve the lives of the most vulnerable children and realize their rights.

# Annex

## Decisions adopted by the Executive Board at its first regular session of 2013

### 2013/1
### Annual report of the Executive Director of the United Nations Children's Fund to the Economic and Social Council

*The Executive Board,*

1. *Takes note* of the report of the Executive Director of the United Nations Children's Fund to the Economic and Social Council (E/2013/6-E/ICEF/2013/3);

2. *Encourages* UNICEF to continue to enhance reporting, taking into account the relevant guidance in General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system;

3. *Decides* to transmit the above-mentioned report to the Economic and Social Council, along with a summary of the comments and guidance provided by delegations at the present session.

*First regular session*
*8 February 2013*

### 2013/2
### Oral report on UNICEF follow-up to recommendations and decisions of the UNAIDS Programme Coordinating Board meetings

*The Executive Board,*

1. *Takes note* of the oral report on UNICEF follow-up to recommendations and decisions of the Joint United Nations Programme on HIV/AIDS (UNAIDS) Programme Coordinating Board meetings (E/ICEF/2013/CRP.3);

2. *Requests* UNICEF to ensure consistency between the expected HIV/AIDS results in its medium-term strategic plan, 2014-2017, and the responsibilities of UNICEF within the 2012-2015 UNAIDS unified budget, results and accountability framework;

3. *Requests* UNICEF, in coordination with UNAIDS, to implement, as appropriate, the relevant recommendations of the midterm review of the UNAIDS Agenda for Accelerated Country Action for Women, Girls, Gender Equality and HIV, in accordance with the mandate of UNICEF;

4. *Requests* UNICEF to ensure that HIV/AIDS-related outcomes and outputs of its medium-term strategic plan, 2014-2017, are appropriately gender-sensitive in addressing the specific needs of children and adolescents, especially girls, and address the relevant gender equality-specific recommendations of the midterm review and the UNICEF-specific elements of the UNAIDS Agenda for Accelerated Country Action for Women, Girls, Gender Equality and HIV.

*First regular session*
*8 February 2013*

## 2013/3
## Country programme document for Eritrea

*The Executive Board,*

1. *Recalls* its decision 2012/17 to consider for approval, on an exceptional basis, the draft country programme document for Eritrea at the first regular session of 2013 of the Executive Board;

2. *Also recalls* that an informal consultation on the draft country programme document for Eritrea (E/ICEF/2013/P/L.1) was held on 17 December 2012;

3. *Approves* the revised country programme document for Eritrea, with the aggregate indicative budget of $7,852,000 from regular resources, subject to the availability of funds, and $44,869,000 in other resources, subject to the availability of specific-purpose contributions, for the period 2013-2016.

*First regular session*
*8 February 2013*

## 2013/4
## Country programme document for Egypt

*The Executive Board,*

1. *Recalls* its decisions 2002/4, 2006/19 and 2008/17 on the country programme approval process;

2. *Notes* the request by Egypt to present the draft country programme document E/ICEF/2013/P/L.4 to the Executive Board at its annual session of 2013;

3. *Decides* to review and approve, on an exceptional basis, the draft country programme document for Egypt at the annual session of 2013 of the Executive Board.

*First regular session*
*8 February 2013*

## 2013/5
## Road map towards an integrated budget, beginning in 2014, and update on cost recovery

*The Executive Board,*

1. *Recalls* its decision 2012/20 and United Nations Development Programme (UNDP)/United Nations Population Fund (UNFPA) decision 2012/27, which requested further development of the harmonized conceptual framework and calculation methodology for cost-recovery rates, and also recalls the need to implement General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, in particular chapter II, section D, on ensuring full cost recovery, proportionally from core and non-core funding sources, and providing incentives to increase core funding;

2. *Recognizes* that full cost recovery, proportionally from core and non-core resources, will lead to fewer resources being drawn from core resources to finance the management costs of non-core contributions, and a larger share of core resources being allocated to programme activities, thereby providing incentives for core contributions;

3. *Approves* the harmonized methodology for calculating cost-recovery rates presented in document DP-FPA/2012/1-E/ICEF/2012/AB/L.6, which is further developed in document DP-FPA/2013/1-E/ICEF/2013/8, and welcomes the increased transparency and proportionality in the new harmonized framework;

4. *Endorses* a general, harmonized cost-recovery rate of 8 per cent for non-core contributions that will be reviewed in 2016, with the possibility of increasing the rate if it is not consistent with the principle of full cost recovery, proportionally from core and non-core funding sources, as mandated by the quadrennial comprehensive policy review of operational activities for development of the United Nations system; and decides that the review of the cost-recovery rate will take place after the analysis and independent assessment of the reports mentioned in paragraphs 15 and 17, below;

5. *Underscores* that the principle of harmonized rates will also apply to differentiated cost-recovery rates, with the aim of promoting collaboration among United Nations organizations and avoiding competition in resource mobilization, and further endorses the following differentiated cost-recovery rate structure:

(a) A harmonized 1 per cent reduction for the thematic contributions at the global, regional and country level in UNDP, UNFPA and UNICEF (8 per cent — 1 per cent = 7 per cent), with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) maintaining the 8 per cent as a temporary arrangement;

(b) Maintaining the existing preferential rates for government cost-sharing, South-South contributions and private-sector contributions;

6. *Decides* that existing agreements will be honoured using the previous cost-recovery rates and that new or renewed agreements will comply with the present decision;

7. *Decides* that, on an exceptional basis and when the urgency of the circumstances requires, the Executive Director of UNICEF may consider granting a waiver of the cost-recovery rates on a case-by-case basis, taking into account specific priorities, modalities that incur lower management costs, and harmonization goals, and that the Executive Board will be informed of these waivers in the annual financial reports;

8. *Decides* that the new cost-recovery methodology and related rates will be applied as of 1 January 2014;

9. *Notes* the guiding principles of the integrated budget contained in (a) the joint note of UNDP, UNFPA and UNICEF on steps taken towards the integrated budget and the mock-up of the integrated budget, submitted at the second regular session 2012, and (b) the mock-up of the integrated resource plan, with a harmonized presentation of the cost-recovery amount, contained in table 6 of document DP-FPA/2013/1-E/ICEF/2013/8;

10. *Reiterates* the need for regular consultations with the Executive Board on the UNICEF integrated budget, 2014-2017, and requests UNICEF to present for review the informal draft integrated budget, including core and non-core resources, as a part of the discussion of its draft strategic plan, 2014-2017, at the annual session 2013;

11. *Requests* UNICEF to provide fully transparent and consistent costing proposals that will enable contributors to understand those costs that are directly charged to programmes and projects, as well as the cost-recovery rate that is applied;

12. *Stresses* the need for increasingly efficient and transparent use of the cost-recovery resources, and requests that UNICEF provide, in the annual reporting of the Executive Director to the Executive Board, the amounts received from cost recovery and the use thereof;

13. *Requests* UNICEF to further pursue efficiency and cost effectiveness with a view to reducing management costs, in the effort to minimize the necessary cost-recovery rate, as mandated by the quadrennial comprehensive policy review of operational activities for development of the United Nations system, and to include information and analysis in this regard in the midterm review of its integrated budget;

14. *Requests* UNICEF to prepare an integrated budget proposal, based on the above approved cost-recovery rates and the conceptual framework of the integrated budget;

15. *Requests* UNICEF, in collaboration with UNDP, UNFPA and UN-Women, to include in the midterm review of its integrated budget, information on the implementation of the approved cost-recovery rates, including the approved underlying calculation methodology and the inclusion of each cost category, the actual cost-recovery rates for the two previous financial years, and an analysis of compliance with he principle of full cost recovery, funded proportionally from core and non-core resources, as mandated in General Assembly resolution 67/226;

16. *Further requests* UNICEF, in the context of the midterm review of its integrated budget, in collaboration with UNDP, UNFPA and UN-Women, to recommend adjustments to the approved cost-recovery rates, as required, to be presented at the annual session 2016 of the Executive Board;

17. *Requests* that an independent and external assessment be performed in 2016 on the consistency and alignment of the new cost-recovery methodology with General Assembly resolution 67/226.

*First regular session*
*8 February 2013*

## 2013/6
## Private fundraising: 2013 workplan and proposed budget

### A. Private Fundraising and Partnerships budgeted expenditures for 2013 fiscal year

*The Executive Board,*

1. *Approves* for the fiscal year 2013 (1 January to 31 December) budgeted expenditures of $132.4 million, as summarized in the table below and detailed in column I of table 3 to document E/ICEF/2013/AB/L.1.

(Millions of United States dollars)

| | |
|---|---|
| Cost of goods and inventory overhead | 13.0 |
| Investment funds | 37.4 |
| Direct expenses (excluding cost of goods) | 22.1 |
| Indirect expenses | 59.9 |
| **Total expenditures, consolidated** | **132.4** |

2. *Authorizes* UNICEF

(a) To incur expenditures, as summarized in column I of table 3 to document E/ICEF/2013/AB/L.1, and to increase expenditures, up to the levels indicated in columns II and III of the same table, should the apparent proceeds from fundraising or cards and products sales increase to the levels indicated in columns II and III;

(b) To redeploy resources between the various budget lines (as detailed in paragraph 1 above), up to a maximum of 10 per cent of the amounts approved;

(c) To spend an additional amount between Executive Board sessions, when necessary, up to the amount caused by currency fluctuations, to implement the 2013 approved workplan.

### B. Budgeted income for the 2013 season

*The Executive Board*

*Notes* that, for the period 1 January to 31 December 2013, Private Fundraising and Partnerships net proceeds are budgeted at $1,055 million, as shown in column I of table 3 to document E/ICEF/2013/AB/L.1.

### C. Policy issues

*The Executive Board,*

1. *Renews* investment funds, with $37.4 million established for 2013;

2. *Authorizes* UNICEF to incur expenditures in the 2013 fiscal period related to the cost of goods and inventory overhead (purchase of cards and other products) for the 2014 fiscal year, up to $13 million, as indicated in the Private Fundraising and Partnerships 2013-2015 financial projections (table 5 to document E/ICEF/2013/AB/L.1);

3. *Approves* an interim one-month allocation for January 2014 of $13.24 million, to be absorbed in the annual Private Fundraising and Partnerships budget for 2014.

*First regular session*
*8 February 2013*